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April 16, 1993

Richard C. Hartgrove
General Attorney

Mr. William A. Blase, Jr.
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1667 K Street, N.W., Suite 1000
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Dear Bill:

Re: Comments of Southwestern Bell Telephone
Company, CC Docket No. 93-22

Enclosed please find an original and four (4) copies of the above-referenced pleading to be filed with the Secretary of the Commission on Monday, April 19, 1993. Also enclosed is a copy of the pleading to be filed-stamped and returned to me.

Additional copies of the pleading are attached to be used as the courtesy copies and one is included for your files.

Please call to confirm that the pleading has been filed. Thank you for your assistance.

Very truly yours,

(f) Richard C. Hartgrove

Enclosure

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In the Matter of

Policies and Rules Implementing the Telephone Disclosure and Dispute Resolution Act

)
)
) CC Docket No. 93-22
) RM-7990
)

Southwestern Bell Telephone Company (SWBT) files its
Comments to the Notice of Proposed Rule Making and Notice of

SWBT would support, for TDDRA implementation costs, a 900 surcharge to Interexchange Carriers (IXCs) that provide 900 service. The IXCs could pass such a surcharge through to Information Providers (IPs).

With regard to billing and collection matters, SWBT's preference is to separate on customers' bills the PPC message from regular toll messages with one or two blank lines. SWBT also believes that toll and PPC calls should be sorted and grouped together by carrier. SWBT sees no need to include on the customer's bill any information beyond charge, date, time, duration and type of service.

SWBT does not object to the proposed regulation that, when the Commission determines that a PPC service has violated federal statutes or regulations, the charge for such service must be forgiven. SWBT does object to any regulation which would require SWBT to interpret federal law for customers of Information Providers (IPs).

II. BLOCKING OF AND PRESUBSCRIPTION TO PAY-PER-CALL SERVICES

The TDDRA requires local exchange carriers (LECs), where technically feasible, to offer customers at no charge the option of blocking (1) all PPC services, (2) selected NPA codes, or (3) Central Office (CO) codes assigned for PPC purposes. The "no charge" feature applies for sixty days after the issuance of the FCC's regulations, or for sixty days after a new number becomes effective. Also, if the FCC determines that it is technically feasible, LECs must offer the blocking of specific PPC services.

Because of current technical limitations, SWBT cannot offer selective blocking (i.e., individual blocking of only selected access codes). Even if the technical limitations were overcome, a selective blocking requirement would significantly burden SWBT's operations. Selective blocking options would require service representatives to spend considerable time explaining blocking options to customers. In SWBT's view, selective blocking is a waste, since customers will likely want simply a "block-all" option.

Call blocking can be accomplished in the CO switch through Line Class Codes (LCCs) or Option Indicators (OIs)--terms used by different manufactures to describe essentially the same function. Each customer line is assigned a LCC or OI in the switch to control the types of numbers the line may access. Each LCC is associated with a routing table containing all possible three-digit codes and the routings using those codes. Each additional number to be blocked requires an additional LCC and associated routing instructions.

The number of LCCs and routing instructions, and the corresponding requirement of additional memory in the switch, increases dramatically as the number of options increases. A large number of LCCs thus presents both operational and economic problems

For LCCs, more SWBT effort because of inefficient routing

The NPRM seeks comment on whether LECs should be required to include rates and regulations governing blocking in interstate tariffs filed with the FCC.³ SWBT currently offers optional end user blocking in the local exchange tariffs of its five states. Requiring a similar option in the interstate end user access tariff would serve no purpose and fulfill no need. Blocking, with the exception of International, is a local service offered to local end user customers. It need not be offered to IXCs out of the access tariff.

The Commission, in promulgating regulations concerning blocking services offered by LECs, should not forget that IXCs and Service Bureaus are currently developing, or already have in place, the ability to block specific numbers from their networks. Blocking is a service which can, and should, be offered by all providers participating in PPC services.

III. DESIGNATION OF PAY-PER-CALL NUMBERS

The TDDRA requires pay-per-call services to be offered through specific "number prefixes and area codes" which are to be "designated by the Commission."⁴ The NPRM tentatively concludes that consumers would best be served by limiting interstate PPC services to 900 numbers (900-XXX-XXXX).⁵

SWBT generally agrees that limiting pay-per-call (PPC) services to the 900 Number Plan Area (NPA) would provide advantages

³ NPRM, ¶28.

⁴ 47 U.S.C. § 228(b)(5), (c)(2).

⁵ NPRM, ¶17.

to consumers such as ease of recognition. However, SWBT understands that various industry forums are considering other numbering options that may also provide this advantage. Further the Commission must recognize that the 900 NPA will eventually exhaust and that other easily recognizable codes may be needed in the future.

SWBT does not agree that *intrastate* programming should be limited to the 900 NPA and sees no reason for the FCC to preempt state commissions in this matter.

The NPRM also solicits comments on whether the Commission should limit *intrastate* PPC services to certain designated CO codes, and whether a CO code designation system could be accommodated within the 900 NPA format.⁶ At this time, SWBT sees no need for the FCC to preempt state commission rules on PPC services. Currently, several Local Exchange Carriers (LECs) utilize various local CO codes--e.g., 976, 540, 550--to provide services offered through local General Exchange tariffs. Any attempt at federal uniformity would, in SWBT's view, be unduly restrictive and burdensome, and would likely stifle innovation of new and useful PPC services.

Also, on a state level, SWBT is currently exploring the use of codes other than 900 for commercial PPC service use.⁷ If the

⁶ NPRM, ¶21.

⁷ Paragraph 19 of the NPRM "urge[s] carriers to refrain from placing pay-per-call programs on any NPA codes or office codes they are not already using for pay-per-call service." SWBT's explorations involve codes already in service. SWBT notes, however, that paragraph 19 is inconsistent with Commission pronouncements in Docket No. 92-105, in which the Commission did
(continued...)

Commission's ultimate goal is the encouragement of new and innovative telecommunications services, then the state jurisdictions, traditionally the venues of experimentation in a federalist system, should remain free of federal preemption.

IV. COST RECOVERY

The TDDRA permits carriers to recover the costs of complying with the statute and the Commission's implementing regulations but forbids any compliance costs being borne by local exchange and long distance ratepayers.⁸ The NPRM requests comments on two issues: (1) methods of identification of restricted costs, and (2) methods of exclusion of such costs from local and long distance rates.⁹

FCC Part 36 states that the separations procedures are not to be interpreted as indicating what costs should be considered in any investigation or rate proceeding [36.1(h)]. Any proposals to change Part 36 to segregate the costs of compliance would be counter to these Part 36 rules.

The NPRM also suggests that TDDRA compliance costs might be segregated by (1) designation of a discrete rate element, (2)

⁷(...continued)
not discourage states from experimenting with N11 PPC services. For example, the experimental N11 tariff approved by the Florida Public Services Commission allows the subscriber (the Palm Beach Post) to charge callers \$0.35 per call for a variety of information including sports scores, stock market quotations, etc. There are active proceedings concerning the assignment of N11 codes for commercial purposes pending in Texas, Mississippi, Louisiana, Alabama and Georgia, among other states.

⁸ 47 U.S.C. §228(c)(4), (f)(2).

⁹ NPRM, ¶43.

imposition of a surcharge on 900 access or other charges on IXC's or IP's, (3) referral of separation implications to a Federal-State Joint Board and adoption of Part 69 rules, and (4) addition of a new Part 32 account.¹⁰

As the Commission is clearly aware, FCC Part 36 was not intended to separate costs for individual services on a service-by-service basis. Separations Procedures group costs of equipment and related expenses by common measures of use. These measures are general in nature, such as "minutes of use", "conversation-minutes", or "conversation-minute-miles." The categories include different types of services if the measure of use is the same. Thus, costs of TDDRA compliance, under current FCC rules, would be included with other similar costs in the appropriate Part 32 account and then separated between jurisdictions based on the appropriate Part 36 procedures. As SWBT stated in Reply Comments in CC Docket No. 91-65 (p. 6): "SWBT does not establish new accounts by service types." SWBT also stated that TDDRA implementation costs could be handled within existing separations rules.

V. BILLING AND COLLECTION

The TDDRA requires that the bill for each PPC charge must show the amount of the charge; the date, time and duration of the call being charged; and the type of service being charged for.¹¹

¹⁰ NPRM, ¶¶44-45.

¹¹ 47 U.S.C. §228(d)(4).

The NPRM seeks comment whether additional information should be included in telephone bills containing PPC charges.¹²

There need be no information beyond the charge, date, time, duration and type of service. Currently, SWBT provides the name and carrier customer service number in one place on the bill. The addition of the name of the IP or a discussion of the refund requirement would, SWBT believes, benefit consumers little but significantly increase the cost of TDDRA compliance. For the same reason, there is no need to include on the bill the reminder that any charges which the customer has asked the LEC to remove from the bill may be pursued by the IP. SWBT will give this information to each customers who requests removal of a charge from his bill.

conducted in violation of federal law or federal pay-per-call regulations."¹³ SWBT does not object to that portion of the proposed rule which would require forgiveness of charges or refunds when *the Commission* determines that a PPC program had violated federal law or regulation, provided that, if a refund is due, it must be given by the IP or IXC, not by SWBT. SWBT does object to any regulation which would require SWBT, at the demand of a customer of an IP, to investigate whether a particular PPC program complies with the TDDRA and FCC rules. Such a requirement would be burdensome in the extreme to SWBT and other carriers. Moreover, SWBT and other carriers should not be asked to interpret federal law, on behalf of IP customers, and decide if the IP has violated that law. This would be like requiring Ford to determine if the gasoline burned in Ford trucks complies with federal pollution standards.

SWBT current practice is that, if SWBT is performing inquiry services for an IXC transporting 900 calls, SWBT will issue an adjustment if a customer disputes a charge for non-transmission services (transmission services being the mere cost of transporting the message, regardless of content; non-transmission services being the IP's charge for content). If SWBT does not perform inquiry services for an IXC, customer contacts concerning non-transmission charges will be referred directly to the IXC. If the customer has already spoken with the IXC and is refusing to pay the non-transmission charge, or if the customer refuses to call the IXC, SWBT will remove the non-transmission charge from the bill. SWBT

¹³ NPRM, ¶39.

will then advise the customer that the charge will be referred to the IXC, which may or may not pursue collection.

SWBT believes that this straight-forward practice is entirely appropriate and should not be replaced by a requirement that SWBT interpret federal law for disgruntled customers of IPs.

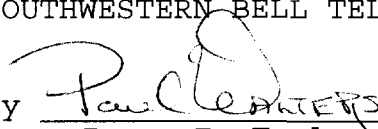
VII. CONCLUSION

In general, SWBT supports the proposed PPC regulations. SWBT believes, however, that the Commission should not cede authority for rules governing the PPC preamble to the FTC. SWBT also objects to any requirement that SWBT interpret federal law at the request of a disgruntled customer of an IP. Also, due to technical limitations, SWBT cannot offer selective blocking. Even if technical limitations were overcome, a selective blocking requirement would significantly burden SWBT.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

By


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April 19, 1993

CERTIFICATE OF SERVICE

I, Liz Jensen, hereby certify that the foregoing
Comments of Southwestern Bell Telephone Company in CC Docket
93-22, have been served this 19th day of April, 1993 to the
Parties of Record.

Liz Jensen
Liz Jensen

April 19, 1993

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